

ASSEMBLY BILL

No. 257

Introduced by Assembly Member Achadjian

February 9, 2015

An act to amend Section 1409 of the Financial Code, relating to banking.

LEGISLATIVE COUNSEL'S DIGEST

AB 257, as introduced, Achadjian. Banking.

Under existing law, the Banking Law, when a statement of account has been rendered by a bank to a depositor accompanied by vouchers, if any, which are the basis for debit entries in that account, that account is required, after the period of four years from the date of its rendition, in the event no objection thereto has been theretofore made by the depositor, to be deemed finally adjusted and settled and its correctness conclusively presumed, and that depositor is required thereafter to be barred from questioning the correctness of that account for any cause.

This bill would make nonsubstantive changes to that provision.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 1409 of the Financial Code is amended
2 to read:
3 1409. When a statement of account has been rendered by a
4 bank to a depositor accompanied by vouchers, if any, which are
5 the basis for debit entries in ~~such~~ that account, ~~such~~ that account
6 shall, after the period of four years from the date of its rendition,

1 in the event no objection thereto has been theretofore made by the
2 depositor, be deemed finally adjusted and settled and its correctness
3 conclusively presumed and ~~such that~~ depositor shall thereafter be
4 barred from questioning the correctness of ~~such that~~ account for
5 any cause.

6 A statement of account within the meaning of this section shall
7 be deemed to have been rendered on a savings or time account
8 when the bank, by making a notation in the depositor's bank book
9 or in some other manner reasonably calculated to give notice
10 thereof to the depositor indicates that a certain sum is the correct
11 balance of the account.

12 Nothing herein shall be construed to relieve the depositor from
13 the duty now imposed by law of exercising due diligence in the
14 examination of ~~such that~~ account and vouchers, if any, when
15 rendered by the bank and of immediate notification to the bank
16 upon discovery of any error therein, nor from the legal
17 consequences of neglect of ~~such that~~ duty; nor to prevent the
18 application of subsection (3) of Section 340 of the Code of Civil
19 Procedure to cases governed thereby.